

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TREATED SEWAGE)	CASE NO.
ADJUSTMENT FILING OF JESSAMINE-SOUTH)	2016-00179
ELKHORN WATER DISTRICT)	

ORDER

On August 3, 2016, Jessamine-South Elkhorn Water District (“Jessamine”) applied for approval to adjust its rates pursuant to the treated sewage adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Lexington Fayette Urban County Government (“LFUCG”) agreed by contract dated January 3, 2003, to treat sewage generated by Jessamine sewer service customers in a designated service area. Pursuant to the contract, sewer user fees are calculated based upon the monthly water use of all Jessamine sewer service customers to which LFUCG provides sewage treatment.

2. On July 1, 2016, LFUCG increased its wholesale sewage treatment rate to Jessamine from \$5.21 per 100 cubic feet to \$5.84 per 100 cubic feet.² Jessamine proposes to increase the sewage rates to its customers effective September 2, 2016.

¹ KRS 278.015; 807 KAR 5:075.

² TFS 2016-00287 (Ky. PSC filed Apr. 29, 2016); the tariff was accepted for filing by the Commission by letter dated June 27, 2016.

3. On August 4, 2016, Jessamine filed a letter requesting to revise the proposed treated sewage adjustment factor from \$0.84 per 1,000 gallons to \$0.85 per 1,000 gallons. Therefore, the rates proposed in the initial application, based on the \$0.84 per 1,000 gallon treated sewage adjustment factor, should be denied.

4. During the 12 months ended June 30, 2016, Jessamine sewer customers receiving service from LFUCG used 6,342,557.7 cubic feet of water (47,442,332 gallons). The increase in the cost of treated sewage is \$39,958.11, resulting in a treated sewage adjustment factor of \$0.85 per 1,000 gallons.³

5. The treated sewage adjustment factor of \$0.85 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

6. The rates as set forth in Appendix B to this Order, are fair, just, and reasonable and should be approved for sewer service rendered by Jessamine on and after August 2, 2016.

IT IS THEREFORE ORDERED that:

1. The treated sewage adjustment factor of \$0.85 per 1,000 gallons is approved.

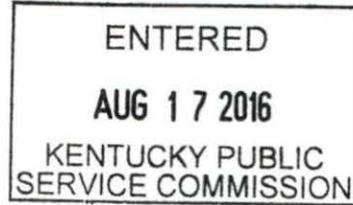
2. Jessamine's proposed rates are denied.

3. The rates as set forth in Appendix B to this Order are fair, just, and reasonable and are approved for sewer service rendered on and after August 2, 2016.

³ Jessamine's rates are calculated per 1,000 gallons. The treated sewage adjustment factor of \$0.63 per 100 cubic feet converts to a per-1,000-gallons adjustment factor of \$0.85 ($\$0.63 \text{ per } 100 \text{ cubic feet} / .748 = \$0.85 \text{ per } 1,000 \text{ gallons}$).

4. Within 20 days of the date of this Order, Jessamine shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission



ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00179 DATED **AUG 1.7 2016**

	New Rate	Base Rate
Jessamine cubic feet		
Water consumption	6,342,557.7	6,342,557.7
Volumetric rate	\$ <u>5.84/100</u>	\$ <u>5.21/100</u>
	\$ 370,405.37	\$ 330,447.26

Increased treated sewage cost \$39,958.11

Increased cost	\$ 39,958.11	
Divided by cubic feet of water sold/100	<u>6,342,557.7</u>	
	\$0.63	per 100 cubic feet
	or \$0.842	per 1,000 gallons
	or \$0.85	per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00179 DATED **AUG 17 2016**

The following rates and charges are prescribed for the customers in the area served by Jessamine-South Elkhorn Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Sewer Rates

First	2,000 Gallons	\$23.60 Minimum Bill
Over	2,000 Gallons	11.80 per 1,000 Gallons

*Bruce E Smith
Bruce E. Smith Law Offices, PLLC
201 South Main Street
Nicholasville, KENTUCKY 40356

*Jessamine-South Elkhorn Water District
802 S Main Street
P. O. Box 731
Nicholasville, KY 40356

*Jessamine-South Elkhorn Water District
802 S Main Street
P. O. Box 731
Nicholasville, KY 40356